

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5635-01
Bill No.: SB 820
Subject: Tobacco Products
Type: Original
Date: March 6, 2014

Bill Summary: This proposal modifies the formula for determining how much money certain tobacco product manufacturers who are not participating in the Tobacco Master Settlement Agreement receive back from escrow funds.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Attorney General's Office (AGO)** state this provision modifies a portion of the escrow requirement for tobacco manufacturers who did not participate in the Tobacco Master Settlement Agreement (MSA). The proposal would simplify one issue related to enforcement of the escrow provisions. However, savings to the AGO from this simplification, if any, would be de minimis.

Although payments to the State of Missouri resulting from the MSA are not a part of the AGO's budget and do not flow through the AGO, the AGO notes that the proposal may potentially result in an increased likelihood of favorable future litigation results and a corresponding increase in future MSA payments to Missouri. However, as current disputes over the MSA are being litigated approximately ten years in arrears, any such benefits are unlikely to be realized in the next three fiscal years.

Officials from the **Department of Public Safety - Alcohol and Tobacco Control**, the **Department of Health and Senior Services**, the **Department of Revenue**, and the **Office of the State Courts Administrator** each assume the proposal would not fiscally impact their respective agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

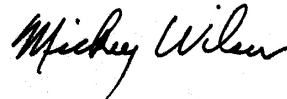
FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Public Safety
Alcohol and Tobacco Control
Attorney General's Office
Department of Revenue
Department of Health and Senior Services
Office of the State Courts Administrator



Mickey Wilson, CPA
Director
March 6, 2014

Ross Strobe
Assistant Director
March 6, 2014